

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number S1003/0073 Mine Name HOT SPRINGS 1  
Operator STAKER AND PARSON COMPANIES Date SENT JUNE 28 2011  
TO \_\_\_\_\_ FROM \_\_\_\_\_

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI  
☐ AMENDMENT ☐ OTHER \_\_\_\_\_

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded  
NOTICE OF FILE CLOSURE AND RELEASE OF RECLAMATION SURETY  
2011-06282011

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
BOND FILE 2011-06282011

**CONFIDENTIAL**

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
BOND FILE 2011-06282011

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: \_\_\_\_\_

CC: \_\_\_\_\_



Date: April 20, 2007STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACTName of Operator: Staker and Parson Companies  
dba Jack B Parson Companies  
Mine Name: HOT SPRINGSPermit Number: S10031073  
Phone Number: 801 409 2400

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease  
☐ Increase  
☒ Replacement

Reason: ☐ Amendment to NOI  
☒ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety  
☐ Other  
Explain:

Surety Dollar Amount Associated With This Action: \$18,1600Surety Aggregate Amount: \$18,1600**Included in this modification (surety must be attached)**

Instrument(s):

|  |                                    |
|--|------------------------------------|
| <input checked="" type="checkbox"/> Corporate Surety | <input type="checkbox"/> Rider     |
| <input type="checkbox"/> LOC Letter of Credit        | <input type="checkbox"/> Amendment |
| <input type="checkbox"/> CD Certificate of deposit   | <input type="checkbox"/> Addendum  |
| <input type="checkbox"/> Cash                        | <input type="checkbox"/> Other     |

Explain:

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MAY 07 2007

DIV. OF OIL, GAS &amp; MINING

Other surety not affected by this modification will remain part of Attachment A and labeled as such.  
This Modification will be effective as of the last date signed below

Authorized Officer

VP  
Title5/1/07  
Date

Division Director

4/23/07  
Date

Utah Division of Oil, Gas and Mining

☒ APPROVED



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MAR 29 2006

FORM MR-RC (SMO)  
Revised Feb 3, 2006  
RECLAMATION CONTRACT

DIV. OF OIL, GAS & MINING  
File Number 3/003/073  
*effective: 4/6/06*

Other Agency File Number \_\_\_\_\_

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

---ooOoo---

**SMALL MINE RECLAMATION CONTRACT**

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Staker and Parson Companies DBA Jack B. Parson Companies the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/003/073 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling

☒ APPROVED



ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation



obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of discrete sections of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.



12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

STAKER & PARSON COMPANIES DBA JACK B. PARSON COMPANIES  
Operator Name

By J. ROCKY WOODRUFF  
Authorized Officer (Typed or Printed)

TREASURER  
Authorized Officer - Position

  
Officer's Signature

3/28/06  
Date

STATE OF Utah )  
 ) ss: )  
COUNTY OF Weber )

On the 28 day of March, 2006, J Rocky Woodruff personally appeared before me, who being by me duly sworn did say that he/she is an Officer (owner, officer director, partner, agent or other (specify)) of the Operator Staker Parson Co DBA Jack B Parson and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Margie Robinson  
Notary Public  
Residing at Weber City

2009  
My Commission Expires:





DIVISION OF OIL, GAS AND MINING:

By John R. Baza  
John R. Baza, Director

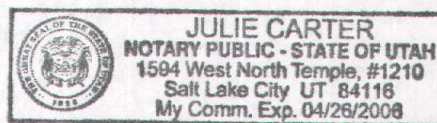
Date 4/6/06

STATE OF Utah)  
COUNTY OF Salt Lake) ss:

On the 6th day of April, 20 06, John Baza  
personally appeared before me, who being duly sworn did say that he, the said  
John Baza is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

Julie Carter  
Notary Public  
Residing at: Salt Lake

April 26, 2006  
My Commission Expires:





## ATTACHMENT A

A copy of the Surety shall be included as Attachment A to the Reclamation Contract.

Mine Name: Hot Springs

COMMODITY: Sand, Gravel, Landscape Rock

County: Box Elder County

Acres: Five (5)

Operator Name: Staker & Parson Companies DBA Jack B. Parson Companies

Operator Address: PO Box 3429, Ogden, Utah 84409

Operator Phone Number: 801 731 1111

Operator Contact: Doug Peterson

Operator Contact phone number: 801 409 2400

Operator Contact email address: [dpeterson@stakerparson.com](mailto:dpeterson@stakerparson.com)

Surety: Fidelity and Deposit Company of Maryland

Surety Amount: \$18,600

Account Number

Contact: Tina Davis, 801-533-3624

Escalation year: 2009

RECEIVED  
APR 13 2007  
Div. of Oil, Gas & Mining





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 2, 2011

Tina Davis  
Fidelity and Deposit Company of Maryland  
1400 American Lane  
Tower One, 19<sup>th</sup> Floor  
Schaumburg, Illinois 60196

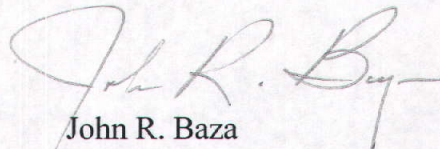
Subject: Authorization for Full Release of Reclamation Surety. Surety Bonds # [redacted] and # [redacted], Staker and Parson Companies, Hot Springs and Hot Springs #2 Quarries S/003/0078 and S/003/0073, Box Elder County, Utah

Dear Ms. Davis:

Fidelity and Deposit Company of Maryland is presently holding surety bonds and # [redacted] for the benefit of the State of Utah, Division of Oil, Gas and Mining, as a form of reclamation surety for Staker and Parson Companies' Hot Springs and Hot Springs #2 Quarries. These two projects have been combined with another project for which the operator has sufficient reclamation surety. This letter authorizes the full release of the referenced sureties.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,

  
John R. Baza  
Director

JRB:lk:pb CRR 7009 3410 0001 4203 1720 (Original Bonds)

cc: Patrick Clark, Staker and Parson Companies

P:\GROUPS\MINERALS\WP\M003-BoxElder\S0030073-HotSprings\final\rel-05312011.doc



THIS BOND REPLACES LIBERTY BOND NO. 14-039-353

FORM MR-SUR

May 24, 2006

Bond Number \_\_\_\_\_  
Surety NAIC No. 39306  
Permit Number S/003/073  
Mine Name HOT SPRINGS

**ATTACHMENT A**  
To  
**RECLAMATION CONTRACT**  
**BETWEEN PRINCIPAL AND DIVISION**

**RECEIVED**

**APR 16 2007**

**DIV. OF OIL, GAS & MINING**

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas and Mining**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

**THE UTAH MINED LAND RECLAMATION ACT**

**SURETY BOND**

\*\*\*\*\*

The undersigned STAKER & PARSON COMPANIES  
DBA JACK B. PARSON COMPANIES, as Principal,  
a CORPORATION organized under the laws of the State of UTAH and  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND as Surety, a CORPORATION  
organized under the laws of the State of MARYLAND, hereby jointly and severally bind ourselves,  
our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of  
Utah, Division of Oil, Gas and Mining ("Division") and \_\_\_\_\_  
(other agency, if any) in the penal sum of EIGHTEEN THOUSAND SIX HUNDRED AND NO/100  
dollars (\$ 18,600.00).

This Surety Bond is provided to secure the obligations of the Principal, as set forth by the terms  
and conditions of the Reclamation Contract, and any addendums thereto, to reclaim lands that will be  
affected by mining operations as identified in the Notice of Intention received, or approved if  
applicable, by the Division on the 16TH day of FEBRUARY, 20 06.

The lands that are covered by this Surety Bond are the Lands Affected by mining  
operations as defined and described in the above Notice, and the Mining and  
Reclamation Plan if required, subject to terms and conditions of the Reclamation  
Contract.

The condition of this obligation is that if the Division determines that Principal has  
satisfactorily reclaimed the disturbed lands in accordance with the Mining and Reclamation Plan or  
Notice and has faithfully performed all requirements of the Mined Land Reclamation Act, and

☒ **APPROVED**



complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect. Failure of the Principal to fulfill the obligations specified by the Mined Land Reclamation Act and the Rules adopted there under, and in accordance with the specification of the Principal's Mining and Reclamation Plan or Notice, may result in forfeiture of this bond in accordance with the applicable statutes and regulations.

If the Mining and Reclamation Plan or Notice provides for periodic partial reclamation of the lands affected, and if the lands are reclaimed in accordance with such Plan or Notice, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond. In the converse, if the Mining and Reclamation Plan or Notice provides for a gradual increase in the lands affected or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety. The amount of reclamation surety may also be adjusted as a result of a periodic review by the Division, which shall take into account inflation/deflation based upon an acceptable Costs Index, or at the request of the operator.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Written notice to the Division and Principal as required by this paragraph shall be provided by certified mail or by a courier service that provides proof of delivery by signature of the recipient. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

Surety is licensed to do business in Utah and is rated by A. M. Best as A- or better or rated as having Financial Performance Rating (FPR) of 8 or better, and is listed in the U. S. Department of Treasury's Circular "570." Upon incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, or upon failure to maintain the A. M. Best or FPR rating and listing on Circular "570", Principal shall be without adequate bond coverage as required by the Division and shall have 120 days after notice to replace the bond with other bonds acceptable to the Division. If the Principal does not replace this surety bond as required, the Division may order cessation of mining operations and commence actions to enforce its rights against the Surety. The Surety's liability shall continue and the Surety will remain fully liable for all reclamation obligations of the Principal incurred until this surety bond is forfeited, or the conditions of this obligation have been satisfied.



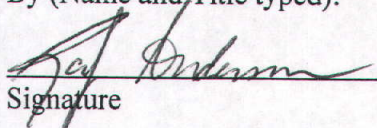
Page 3  
MR-SUR  
Attachment A  
(revised May 24, 2006)

Bond Number \_\_\_\_\_  
Surety NAIC No. 39306  
Permit Number S/003/073  
Mine Name HOT SPRINGS

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

STAKER & PARSON COMPANIES  
DBA JACK B. PARSON COMPANIES  
\_\_\_\_\_  
Principal (Permittee)

RANDY ANDERSON, VP MATERIALS  
By (Name and Title typed):

  
Signature

4/4/07  
Date

**Surety Company**

FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
Surety Company Name

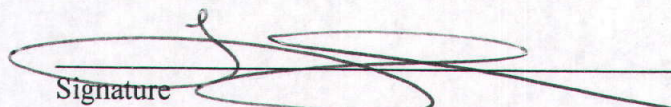
1400 AMERICAN LANE, TOWER ONE, 19TH FL.  
Street Address

TINA DAVIS  
Surety Company Officer

SCHAUMBURG, IL 60196  
City, State, Zip

ATTORNEY-IN-FACT  
Title/Position

801-533-3624  
Phone Number

  
Signature

MARCH 7, 2007  
Date

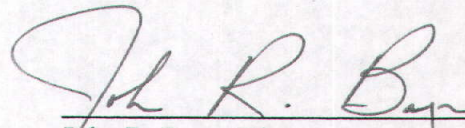


Page 4  
MR-SUR  
Attachment A  
(revised May 24, 2006)

Bond Number \_\_\_\_\_  
Surety NAIC No. 39306  
Permit Number S/003/073  
Mine Name HOT SPRINGS

SO AGREED this 23<sup>rd</sup> day of April, 20 07.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

  
\_\_\_\_\_  
John R. Baza, Director  
Utah State Division of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.



### AFFIDAVIT OF QUALIFICATION

On the 7TH day of MARCH, 20 07, TINA DAVIS  
personally appeared before me, who being by me duly sworn did say that he/she, the said  
TINA DAVIS is the ATTORNEY-IN-FACT of  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND and duly acknowledged that said instrument was signed on behalf  
of said company by authority of its bylaws or a resolution of its board of directors and said  
TINA DAVIS duly acknowledged to me that said company executed the same, and that  
he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized  
to execute the same and has complied in all respects with the laws of Utah in reference to becoming  
sole surety upon bonds, undertaking and obligations.

Signed: \_\_\_\_\_  
Surety Officer

Title: TINA DAVIS, ATTORNEY-IN-FACT

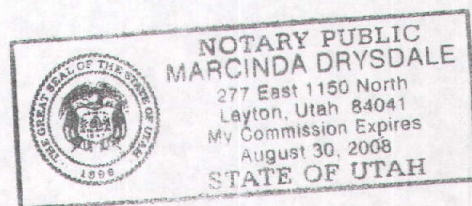
STATE OF UTAH )  
 ) ss:  
COUNTY OF SALT LAKE )

Subscribed and sworn to before me this 7TH day of MARCH, 20 07.

\_\_\_\_\_  
Notary Public  
Residing at: LAYTON, UT

My Commission Expires:

AUGUST 30, 20 08.





**Power of Attorney**  
**FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by FRANK E. MARTIN JR., Vice President, and ERIC D. BARNES, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint **Tina DAVIS, Marcinda DRYSDALE and Derik STEVENSON, all of Salt Lake City, Utah,** EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings,** and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Karen HONE, Tina DAVIS, Jace PEARSON, Vicki SORENSEN, dated June 13, 2005.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 22nd day of August, A.D. 2005.

ATTEST:

**FIDELITY AND DEPOSIT COMPANY OF MARYLAND**



*Eric D. Barnes*

By:

*Frank E. Martin Jr.*

Eric D. Barnes

Assistant Secretary

Frank E. Martin Jr.

Vice President

State of Maryland }  
City of Baltimore } ss:

On this 22nd day of August, A.D. 2005, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came FRANK E. MARTIN JR., Vice President, and ERIC D. BARNES, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



*Maria D. Adamski*

Maria D. Adamski

Notary Public

My Commission Expires: July 8, 2007



# SURETY TRACKING FORM

Permit # S10031073 Lead: Lynn

Date: 3/21/06

Date:

Date:

Name of Operator

Stakew & Parson Comp  
DBA Jack P Parson

Business Org.

DBA Companies

Corp Surety

JRB APPROVES

Complete

account #

copy

date originated

NO  
3/7/06

dollar amount

\$18,600

executed date

3/7/06

insurance co. name

Liberty Mutual

JRB approval

"Returned to operator for revisions"

original

rider (jrb does not approve)

2 weeks  
operator due

rider reason

CD or CD ADD

JRB APPROVES

Complete

account #

Addendum (ADD)

bank name

copy

date originated

dollar amount

executed date

joint agency

original

NOTES

Letter of Credit (LOC)

bank name

copy

date originated

dollar amount

executed date

LOC #

original

Cash (CC)

Complete

date originated

dollar amount

copy (1)

Treasurer's receipt (2)

Account acknowledgment (3)

NOTES

MRRRC

JRB EXECUTES

Complete

complete

date originated

3/21/06

executed date

Map

original

signed & notarized

Not Required  
yes

Issues

mailed to operator  
for completion  
give 2 weeks

MRRRC ADD

JRB

Complete

date originated

JRB signed & dated

Operator signed & dated

original

revisions:

1

2

3

4

5

6

618  
1359





State Online Services

Agency List

Business.utah.gov

Search Utah

Utah Department of  
Commerce

## Business Entity Search

Help

## Business Entity Search - Principals:

| Name                      | Type                  | City                    | Status            |
|---------------------------|-----------------------|-------------------------|-------------------|
| STAKER & PARSON COMPANIES | Corporation           | Ogden                   | Active            |
| Position                  | Name                  | Address                 |                   |
| Director                  | GLENN A CULPEPPER     | 3333 K ST NW NO 405     | WASHINGTON C      |
| Director                  | S VAL STAKER          | PO 540178               | North Salt Lake U |
| Director                  | THOMAS W HILL, III    | 3333 K ST NW, STE 405   | Washington DC 2   |
| President                 | JOHN W PARSON         | 2350 SOUTH 1900 WEST    | Ogden UT 84401    |
| President                 | S VAL STAKER          | PO 540178               | North Salt Lake U |
| Registered Agent          | CT CORPORATION SYSTEM | 50 W BROADWAY 8TH FLOOR | SLC UT 84101      |
| Secretary                 | LLOYD M LEFEVRE       | NO ADDRESS GIVEN        | Unknown NA 000    |
| Treasurer                 | JED ROCKY WOODRUFF    | NO ADDRESS GIVEN        | Unknown NA 000    |
| Vice President            | JOHN W PARSON         | PO BOX 3429             | Ogden UT 84409    |

Additional Principals on file at Division of Corporations: N

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JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

Seel

July 6, 2007

Doug Peterson  
Staker and Parson Companies  
P.O. Box 3429  
Ogden, UT 84409

Subject: Approval of Replacement Reclamation Surety and Reclamation Contract, Jack B. Parson Companies, Hot Springs Quarry, S/003/073, Box Elder County, Utah

Dear Mr. Peterson:

The Director of the Division of Oil, Gas and Mining signed the replacement surety and reclamation contract for the Hot Springs quarry Notice of Intention to Commence Small Mining Operations, file number S/003/073. You now have Division approval of the form and amount of surety for the above referenced site. A copy of the executed reclamation contract/surety is enclosed for your records.

Please note, this replacement surety is only for the original 5- acre permit area. The disturbed area outside of this area will be covered under a separate surety until a Notice of Intention to Commence Large Mining Operations is submitted and approved by the Division. The Division will re-evaluate the amount of surety required once the LMO is ready for approval.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5258 or Lynn Kunzler at 538-5310. Thank you for providing the replacement surety for this project.

Sincerely,

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:lk:pb

Enclosure: reclamation contract/surety

P:\GROUPS\MINERALS\WP\M003-BoxElder\S0030073-HotSprings\final\replaceSurety-07022007.doc





**From:** Mary Ann Wright  
**To:** Daron Haddock; Lynn Kunzler; Susan White  
**Date:** Wed, Jun 20, 2007 11:52 AM  
**Subject:** Re: CO issued to Jack Parson Companies, Hot Springs Mine, S/003/073

Just heard from Mr. Glauser. We held an informal telephone stop-work conference via telephone. He stated that their contract operator had 'expanded his horizons' beyond what he should have. I agreed to the plan that when his company satisfies OGM with a second SMO and bond to cover the disturbed area - which he represented is owned by Jack Parson Companies - then OGM will lift the stop work order. I know this is not all according to Hoyle, but was done for expedience. Please copy this email to file. Thanks.

>>> Lynn Kunzler 06/19/2007 12:17 PM >>>

As a result of my inspection this morning of the referenced mine, I issued a cessation order (MC-07-01-05) for conducting mining operations outside the permitted area  
GPS survey of the area showed 8.8 acres of disturbance on area one, and an additional 1 acre on area 2.

Paul Glouser of JPC was on site - he indicated that they would submit a LMO. He will call Mary Ann tomorrow with a proposal to permit area 2 as a SMO under the name of Mike Stevens, so that he can keep operating while they get a LMO together.

**CC:** BONDCOORDINATOR; mike.dalley@stakerparson.com;  
paul.glauser@STAKERPARSON.COM; Penny Berry; Vickie Southwick



**From:** Lynn Kunzler  
**To:** BONDCOORDINATOR  
**Date:** Wed, Jun 20, 2007 7:03 AM  
**Subject:** Additional bond requirement for S/003/073

On June 19, 2007 a cessation order was issued to Jack B. Parson Companies' Hot Springs mine (S/003/073). Among other things, Abatement requires the operator to provide an additional \$14,800 in reclamation surety for the mine disturbance outside the permitted and bonded area. This surety is due by July 19, 2007

Note: As per foxpro - this site is currently bonded for \$18,600 with a surety bond from Fidelity and Deposit Co. of MD

**CC:** Daron Haddock; Susan White





NOTICE OF CANCELLATION AND/OR TERMINATION

CERTIFIED MAIL-RETURN RECEIPT REQUESTED  
7005 2570 0001 5979 4104

January 24, 2007

Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114

RECEIVED

JAN 29 2007

DIV. OF OIL, GAS & MINING

Bond Number:

Principal: Staker & Parson Companies DBA Jack B. Parson Companies

Present Penal Sum: \$18,600.00

Bond Description: Reclamation - Permit Number S/003/073 - Hot Springs

Original Effective Date: March 7, 2006

Cancel Date: April 30, 2007

We hereby cancel the above referenced bond in accordance with the cancellation/termination provisions contained in the bond. If, for any reason, the effective date of this Notice does not fully comply with the cancellation/termination provisions contained in the bond, then this Notice shall be deemed amended to contain the earliest effective date which is in compliance with the provisions of the bond.

Reason: Bond being replaced by other surety

LIBERTY MUTUAL INSURANCE COMPANY

By:

Mary Jane Kleeman  
Mary Jane Kleeman, Attorney-in-Fact

REPLY TO:

Liberty Mutual Surety  
8044 Montgomery Road, Suite 150E  
Cincinnati, OH 45236  
800-759-0559, Ext 323  
Fax: 513-984-3165

ACKNOWLEDGEMENT REQUIRED - PLEASE SIGN AND RETURN A COPY IN SELF  
ADDRESSED ENVELOPE ENCLOSED.

ACKNOWLEDGED BY:

Kent Anderson DATE: 2/9/07

Copy

- ☒ Oblige
- ☒ Principal
- ☒ Producer
- ☒ Home Office
- ☒ Underwriting Office





JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

March 21, 2006

Doug Peterson  
Staker & Parson Companies  
DBA Jack B. Parson Companies  
P.O. Box 3429  
Ogden, Utah 84409

Subject: Request for Changes to the Corporate Surety Bond and Request for Signature to the Reclamation Contract, Staker & Parson Companies, DBA Jack B. Parson Companies, Hot Springs, S/003/073, Box Elder County, Utah

Dear Mr. Peterson:

Per our telephone conversation, the enclosed Corporate Surety Bond is being returned due to discrepancies/deficiencies as discussed. The required changes have been identified below and changed on Attachment B.

- Crossed out 'approved/accepted by' and replaced with 'received by';
- Blank line, replaced with x's;
- The word 'jointly' crossed out;
- Underlined sentence crossed out and replaced with, 'A description of the disturbed land is identified in the Mining and Reclamation Plan or Notice as amended'

Please have Mr. Woodruff initial by each identified change, indicating agreement and acknowledgement of the changes. This will simplify the finalization and approval of the bond.

Enclosed is a completed reclamation contract that is required in addition to the Corporate Surety bond. As discussed, Mr. Parson (President and Vice-President) or Mr. Woodruff (Treasurer) have signature authority as identified with the Utah Secretary of State, Division of Corporations. If another person signs the contract, authority documents granting signature authority, would be required by the Division. Please have the appropriate person sign page five (5) of the reclamation contract. The signature requires a notary.

I HAVE ATTACHED CHANGES AS REQUESTED.

Thank You,

PATRICK CLARK

RECEIVED

MAR 29 2006

DIV. OF OIL, GAS & MINING



Page 2  
March 21, 2006  
Doug Peterson  
S/003/073

**Please return the original, signed and notarized reclamation contract and initialed corporate surety bond to the Division, attention Beth Ericksen.** If you have any questions or require discussion regarding the content of this letter, please contact Beth Ericksen (801) 538-5318.

Sincerely,



Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:BE:pb

Enclosures: Original Corporate Surety Bond with Corrections, Complete and Original Reclamation Contract

cc: Beth Ericksen  
Lynn Kunzler

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## DEPARTMENT OF NATURAL RESOURCES

### Division of Oil, Gas & Mining

MICHAEL R. STYLER  
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**From:** Beth Ericksen  
**To:** dpeterson@stakerparson.com  
**Date:** 03/15/2006 11:15:26 AM  
**Subject:** Bond issued by Liberty Mutual for Hot Springs Mine S/003/073

The Division received a corporate surety bond issued by Liberty Mutual on March 7, 2006. I wanted to advise you they used the incorrect bond form. In addition, the date of Feb 16, 2006 is also incorrect and the reference to the description of disturbed land. In order to proceed in the approval of this bond, please call or email me, so that I can identify the specifics of what is required. A complete reclamation contract must also be submitted. When we talk, I will provide you a verbal overview of what is required.

Thank you. Please contact me as soon as reasonably possible.

Beth Ericksen  
Division of Oil Gas and Mining  
Minerals Program  
801 538 5318

**CC:** Lynn Kunzler